

Butte-Silver Bow Study Commission Minutes

Meeting Date: February 24, 2005

Time: 5:30 p.m.

Place: Butte-Silver Bow County Courthouse, 1st Floor Conference Room

Call to Order: Chairman Bob Worley brought the meeting to order at 5:30 p.m. Chairman Worley proceeded to call roll with the following results:

Members Present: Tony Bonney (late), Ristene Hall, Meg Sharp, Cindi Shaw, Northey Tretheway, Bob Worley, and Shag Miller. Ron Rowling and Shelly Jones were also present.

Excused Absence: Wayne Harper, and Dave Palmer.

Others Present: Marko Lucich, Danette Gleason, Danette Harrington, Donna Lowney, Pat Callaghan, Debbie Alt, Linda Sajor-Joyce, Jeff Amerman, and Raymond Rask.

Approval of Minutes: Chairman Worley requested approval of the February 17, 2005, minutes. A motion was made by Meg Sharp to approve the minutes of the meeting; Northey Tretheway seconded the motion. The motion passed unanimously.

Citizens Comments: Ron Rowling commented that Jeff Amerman is present to observe the presentation given by future co-workers and he asked the Commission to refrain from asking him questions at this time.

Items Not Addressed on the Agenda: No items were addressed.

Chairman Worley introduced **Marko Lucich** from the Butte Chamber of Commerce. Marko began by talking about the concept of Team Butte emerging and that the “government is the people” and he thanked the Study Commission for inviting him and incorporating the Chamber into the process. He said that with the dwindling of funds in the community we need cooperative efforts in order for us to go forward and do great things for our community. An example is a partnership with the Local Government and the loan that was given to the Chamber for the Trolley. Tourism is one of the leading industries in the community, and we need tourism in order to survive. The trolley is vital for the survival of tourism, and it happened because of the local government and its partnership with the community. It is so important to see that step happen, and to see how we can work together for the greater good of our community. Another important area, as far as development is concerned, we are not separate entities; we are all one. Recently, the Chief Executive, Butte Local Development, Community Development, Headwaters, and Marko, as president of the Chamber, have been meeting on a weekly basis talking about our community and how we can work together for the growth of our community. People need the mindset that we are all one community and all entities need to work together. By inviting Marko to speak before the Study Commission, he sees us looking beyond this building (the Courthouse); it is more the entire community. He thinks we are going to see great things happening for the community with the cooperative effort emerging with local government and the community as a whole. Cindi Shaw asked Marko if there was just one thing that he could see changed in the local government, what would that be. Marko said that we definitely need a marketing person. We assume that the other person is going to market us as a community, as a government, and other

entities. We are all waiting for the other person to do that. There is no defined market for this community as far as local government is concerned. Secondly, all 34,000 people are ambassadors for this community. People in the community don't understand they have a role too. If you are an elected official or on the Study Commission, then that's your role, but he doesn't think the community realizes that it would be nice if there were a thousand people here every night giving their input. Somehow develop the thought that all the people have a role in this community especially when it comes to local government. We need a blueprint to do this. Chairman Worley said the Study Commission's goal was to incorporate or utilize as many people as they possibly could. Members of the Commission will go out and speak to various groups when invited and get input from the community. Getting people together to create a plan is a great idea. Referring to a marketing person for Butte, Northey asked Marko if he was aware of similar positions in other communities and how do they get the involvement from the citizens. Marko referred to the Civic Center (the nicest facility in the State), for example, but Gary Lean has many roles. He envisions maybe the Chamber paying a share, Local Government, paying a share and someone else paying a share for this one person who would market the entire community such as the Civic Center, the Chamber the Mother Lode, Montana Tech, etc. He sees marketing being done for conventions. A dome would be put over our entire community. In our community we have the following venues: gymnasiums, Civic Center, the MAC, Montana Tech, Butte High School, etc. The marketer would demonstrate that these are the facilities we have for rooms (1200 hotel rooms). The Mother Lode has the Masonic Temple right next to it. It's a collective effort for the entire community. Chairman Worley and the Commission thanked Marko for speaking.

Chairman Worley introduced, **Pat Callaghan**, Butte-Silver Bow's Treasurer. Pat Callaghan started off by explaining that the County Treasurer's office is the collection agency for the whole county. He invited everyone to ask him questions and focus on that. He reported that there are a lot of changes coming down the pike especially if House Bill 261 passes. They will be doing a lot of motor vehicle over the Internet. The office is set up for a lot of changes, but they will still need some things. There will be a lot of paperwork. The Treasurer's office does not have its own fax machine and that will be a must in the future. A big concern he has for his office is that he believes there is a shortage of personnel, and they do not have the ability to cross-train. Pat explained the complexities and reasons for the inability to cross-train. His office has 131 years of service combined, averaging 26 years of service. The Delinquent Tax Sale Department has no funding for personnel. Delinquent taxes are a complicated process that takes a long time to learn; there is a need for a person in this department. Pat distributed a handout that listed a breakdown of the 2004 revenue, which totaled \$97,726,499.79, and a list of personnel in the office. Pat's goal is to cross-train and teach employees other positions. He cited the example of hiring Chuck Kraus back to train the new Assessor, Dan Fisher. Shag Miller asked if the delinquent tax position would be a position that would pay for itself. Mr. Callaghan said that you would have to increase tax fee costs. He explained the duties, processes, and collections of that position. Other discussion included staffing levels, staff shortages when someone is off, tax delinquencies, tax collections, tax laws, A101 Miscellaneous Revenue, School District No. 1 monies, and dog license fees. Cindi Shaw clarified the duties of the Treasurer's office as the collectors and distributors of the money for Butte-Silver Bow. Tony Bonney asked about the water division payment collections. Danette Gleason explained the water division collections process, and segregation of duties. Chairman Worley asked Pat Callaghan if there was one thing he could to improve services, what would it be. Mr. Callaghan stated that he would like to have the offices open to the public at 8:00 a.m. in the morning for both property taxes and motor vehicles taxes. He explained why the motor vehicle department wasn't open until 9:00 a.m. A lot of paperwork needs to be done in a timely manner; the staff finishes up the prior day's work per the Department of Justice's demands. Tony Bonney asked how the department was funded. The county funds this department, and the department is directed by State statute. Pat responded to Cindi Shaw's questions about using the Internet to make

the Treasurer's office jobs easier and make the department more service friendly to the community. He stated that with HB 261, citizens from other counties could purchase their registration in Butte-Silver Bow County. Also, you could purchase your tabs over the Internet, but there would still be a lot of paperwork to do. Also, by law, tax receipts have to be kept for 30 years. Chairman Worley and the Commission thanked Pat for coming before the Commission.

Chairman Worley introduced **Danette Gleason**, the Assistant Finance and Budget Director, and the new Director of Finance and Budget; and also **Linda Sajor-Joyce**, the Director of MIS. Danette and Linda presented a PowerPoint presentation. Danette began by noting that the duties of officers and directors and the various departments of Butte-Silver Bow are different from other city and county governments. She just asked that the Commission compare apples to apples when studying the government. A handout was provided and Danette began her presentation by describing the functions of the Budget and Finance Department that includes providing financial and administrative services that complies with Butte-Silver Bow's Charter and federal and state laws. Danette also reported that the Management Information Services (MIS) provides database administration, computer support, and telecommunication services to all of the departments of Butte-Silver Bow. Ordinance 568 (10/2/96) further defined the powers and duties of the Finance and Budget Department. Danette Gleason went over the organization of the department. She explained the vacant budget analyst positions, and the need for at least one more accountant. The auditors feel that Butte-Silver Bow needs a grant administrator or grant accountant. Bozeman, for example, has a grant accounting office. Danette also stated that the MIS department's growing responsibilities require additional staffing. Danette explained the major duties of Finance, which include treasury/investments – long and short term; debt issue and management; asset management; financial statements/reporting (GAAP GASB 34); Management of internal control structure. An important note regarding the financial statement is the Certificate of Achievement in Financial Reporting. This document is sent to the Government Finances Association, a nationally renowned organization, which critically reviews this statement; Butte-Silver Bow County has received this Certificate for the past 14 years. This Certificate means millions, millions of dollars to the county. The county is able to get bonds. In 2003, they did a refunding issue that they didn't have to have reserve requirements because of the long history of this award. The bond savings in 2003 was \$900,000.

Danette Gleason further described reporting requirements and described in a thorough manner the major duties of each area in their department. The major duties of Budget include: budget preparation and monitoring; accounts payable, purchasing, budget transfers, claims processing (analysis and compliance), travel, and mail. Major duties for MIS are: State CAMA/MODs (land records, appraisal), tax, accounting, water billing, parking violation/city court, and voter registration. Computer support major duties include: hardware for 200+ computers, software/licensing, virus, spyware, adware protection, networking, security, and email. Danette Gleason reported that Danette Harrington, Auditor for Butte-Silver Bow, audits internal control structure and what the finance and budget department may implement among other things. Suggestions for improvement would be additional staffing. The goal is to continue to receive the award for their financial reporting.

Chairman Worley asked if a central purchasing department would better serve Butte-Silver Bow. Danette responded that by buying in bulk everyone knows you save money, but she didn't know if it would be of benefit on the political side. Chairman Worley asked for more details about the budget process, and Danette explained that process. Chairman Worley asked about other offices that collect funds. Danette described the process of collections of fees in these small offices. Chairman Worley brought to the Budget and Finance team's attention the letter that was sent to the Study Commission by Kevin Johnson of Montana Bentonite. He read the letter to the group. Danette Gleason responded that

she has never been contacted in the 12 years that she has been in the budget office by anyone other than a commissioner, department head or elected official as to input or questions of the budget. She said if she were contacted, she would recommend that the person contact a commissioner or the chief executive. The Budget Office doors are always open. Chairman Worley confirmed that he would respond to Mr. Johnson and have him contact the chief executive or have a communication sent to the commission. The budget is adopted and amended through an open public hearing process. Northey Tretheway asked about the process of the acceptance of the budget; how can the public access the budget, is it on line? Last year's budget was on line; the current year was not. They will be able to put the budget on line again within two or three weeks. They always have a few extra copies the night of the Council meeting. Northey asked if an analysis was ever done regarding a central purchasing to bring control and discounts. Discussion followed regarding central purchasing and discussion also included the lack of money available for training, especially computer training. Shag Miller commented on the Finance and Budget's excellent presentation and asked about the bond rating. Danette reported that there is \$11,886,000 remaining in general obligations as of June 30, 2004. Shag also asked about the auditing of the FASB reporting. Three audits are conducted: 1) financial reporting; 2) internal control, and 3) internal control related to federal funding -- discussion continued regarding the auditing process and costs.

Linda Sajor-Joyce, the Director for Management Information Systems (a.k.a., the computer department) began her part of the presentation. Linda described the relationship and the reason her department was probably put under the Finance and Budget Office. She mentioned that the reason why Butte-Silver Bow and most governments have not gone with on-line transactions is because there is a four (4) percent service fee for every credit card transaction. By State law you cannot pass on a service charge. The State and the Association of Counties are trying to work out an agreement so that fees can be lowered for accounting. Linda described the other major duties of the MIS department as described above in greater detail. She described the shared database between the Parking Commission and the City Courts. The MIS Department's functions have changed immensely since the last government review. At first, the duties of the department were mainly management reporting that was tied to appraisal, tax, and accounting. MIS is in charge of all software and licensing for the county, networking, network security (spyware and adware protection), email, coordination with State networks (32 counties are connected to the State network directly). Linda talked about the Internet, Intranet, and Extranet. Telecommunication duties have been added to this department (telephone, cell phones, video conferencing, and long distance). Cindy Shaw asked if there was a follow-up or flagging system for fines or fees that have not been paid. Linda stated that they have been discussing what kind of system they need for calls such as dog complaints, logging the calls, and how to handle the calls. There is no system in place right now, but it is built in to anything new they look at (dogs, parking tickets, city court fines) and they will be able to generate daily, weekly, monthly reports. Other dog and animal control issues were discussed along with the life expectancy of the computers, priority of workload, troubleshooting, upgrading equipment, comparison to other counties in the State, and the Internet site (possibly contracting out the redevelopment of the website). It was also brought up that in the past the Study Commission changed the name to MIS from the Data Processing Department. They asked if the name could be changed to reflect the current duties of the department; a suggested name was Information Technology Services. Also, consider defining the role of this department or where the department should go.

Chairman Worley introduced Dr. Ray Rask as a guest in the audience and asked him if he had any comments. He stated that he came to observe and become more familiar with the processes of the county. This particular meeting was very informative and he sees how the county operates from a budgeting standpoint and the challenges that it faces. It is important for the Commission to consider a

way for the public to become more involved in the overall budgeting process. He recognizes the Chief Executive's door and the Commissioners' doors may be open, but realize there is no formal process or no written process at all. People feel there is no way to do things, it alienates people, and they feel they are not part of the process. Chairman Worley and the Commission thanked Dr. Rask for his comments and for coming.

Chairman Worley told the Commission that he and Tony Bonney were at the Council of Commissioners meeting the night before where Superfund was discussed. He said he sees why the Study Commission is having a hard time coming up with questions for the survey because it is a very complicated issue. Chairman Worley visited with the Superfund Counselor for Butte-Silver Bow, Gordon Hart, from San Francisco, and Jon Sesso and they have agreed to meet with the Study Commission. He also mentioned that copies of the Settlement and Term Sheet and a presentation given by Jon Sesso were available. The importance of attending other community meetings was also discussed.

Date for Next Meeting: The next meeting will be Thursday, March 3, 2005.

Adjourn: Chairman Worley entertained a motion to adjourn. Northey Tretheway moved to adjourn the meeting; Cindy Shaw seconded the motion. The motion carried and the meeting adjourned at 8:12 p.m.